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Chairman: Mr. MAYCOCK (Barbados)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 157: FINANCING OF THE UNITED NATIONS MISSION FOR THE REFERENDUM IN WESTERN SAHARA (continued)

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The meeting was called to order at 11.15 a.m.

AGENDA ITEM 157: FINANCING OF THE UNITED NATIONS MISSION FOR THE REFERENDUM IN WESTERN SAHARA (continued) (A/45/241/Add.1 and A/45/1011)

1. Mr. KALBITZER (Germany) said that the Governments which were parties to the conflict in Western Sahara should indicate their willingness to make a special financial contribution to the United Nations Mission for the Referendum in Western Sahara (MINURSO), since that would alleviate the financial burden on the Organization.

2. The budget proposal submitted to the General Assembly for approval had been negotiated between the United Nations Secretariat and a number of Member States well in advance. Apparently, the Secretariat had assumed that those Member States represented the interests of the United Nations. Politically, that was a very dangerous assumption, since any Member State could call for a vote on the matter.

3. He hoped that the recommendations contained in the ACABQ report (A/45/1011) would not be open to too many different interpretations. His delegation regarded the sum of $140 million as a ceiling, and very strong arguments would be needed in order to exceed that amount after the first six months of the mission.

4. One of the few savings indicated in the ACABQ report involved cuts in high-level posts. Two under-secretaries-general and three assistant secretaries-general were clearly not needed for such a small and relatively short operation. It was remarkable that that proposal alone had prompted the Under-Secretary-General for Administration and Management to address the Committee.

5. The major flaw of the MINURSO operation was that its success depended on voluntary contributions for the repatriation of refugees. He wondered whether the operation would have to be called off if such contributions were not forthcoming. In the light of the difficulties that had been encountered in connection with MINURSO, the organization of United Nations peace-keeping operations should be re-examined. Peace-keeping was a task for which the United Nations was well suited, and Member States should therefore support the Organization's efforts in that area.

6. Mr. MICHALSKI (United States of America) said that the Advisory Committee's budget estimates represented a "worst-case" scenario that did not take account of the provision of facilities or services by the parties concerned or any voluntary contributions that might be received. Experience had shown that substantial voluntary contributions in cash and in kind had been provided for United Nations peace-keeping activities; in the case of Western Sahara, such contributions were likely to be forthcoming. His delegation requested confirmation from the Secretariat that it would pursue

(Mr. Michalski, United States)

such contributions and would keep ACABQ informed of progress in that area. He was pleased to note that some Member States had already indicated their intention to provide contributions in kind that would help to meet the requirements estimated by the Office of the United Nations High Commissioner for Refugees (UNHCR).

7. The Advisory Committee had recommended a number of specific economy measures that were sound and merited the Committee's support. Further reductions in mission subsistence allowance payments were justified in view of the actual living costs in the area and the extent to which the United Nations would provide housing for some military and civilian staff. His delegation shared the view that the amount budgeted for death and disability payments was high compared to other peace-keeping operations. There was no justification for the establishment of two under-secretary-general and three assistant secretary-general posts, and the Committee should therefore approve the Advisory Committee's recommendation to reduce the number of such posts.

8. The projected number of vehicles for the operation (824) was not reasonable in view of the proposed staffing level and the likelihood that fewer staff would be needed. Furthermore, savings could be achieved through leasing arrangements. In the case of the United Nations Peace-keeping Force in Cyprus (UNFICYP), the Secretariat had managed to work out favourable arrangements for the rental of vehicles, and that example could be followed in the case of MINURSO. Since the United Nations would be purchasing "left-hand" drive vehicles, his delegation expected that the MINURSO fleet would be returned to the Pisa depot when the mission was completed.

9. His delegation concurred with the Advisory Committee's recommendation that the General Assembly should appropriate $143 million for the initial six-month period of the operation. In view of the potential for savings, the Secretariat should be in a position to indicate to the forty-sixth session, in the six-month performance report recommended by ACABQ, a significant reduction in the overall budget of MINURSO. His delegation also supported the other specific recommendations of the Advisory Committee contained in paragraph 19 of its report (A/45/1011).

10. Mr. ZAHID (Morocco) said that the ACABQ report on the financing of MINURSO had been based on a certain number of erroneous assumptions, such as the estimated number of Western Saharans to be repatriated, and the number of polling stations. Moreover, the number of staff to be assigned to MINURSO did not correspond to the number indicated in the Secretary-General's report to the Security Council (S/22464 and Add.1). His delegation therefore wished to enter its formal reservations with respect to the political implications of those assumptions.

11. Mr. DUHALT (Mexico) said that the Committee should ensure that MINURSO had sufficient and timely financial resources. His delegation hoped that the procedures involved in the MINURSO operation would not constitute a precedent for the financing of future peace-keeping operations. As in other operations of that kind, it would have been appropriate to establish a global budget instead of working with partial budgets that required subsequent revision.

12. Mr. RAE (India) said that it was important to ensure that peace-keeping operations were carried out in a cost-effective and efficient manner. It was necessary to identify all possible areas for savings and reductions in financial outlays that would not jeopardize the functioning of such operations. In view of the special characteristics of MINURSO, it might be advisable to make provision for contingencies rather than to adopt an initial budget that was overly stringent.

13. It was clear from the ACABQ report that considerable savings could be made in a number of areas. In its future reports on peace-keeping operations, the Secretariat should provide Member States with additional justification for items such as transport and air operations. Information on the geographical characteristics of the area would help delegations to understand budget estimates better, and it would be useful if a map relating to the area involved in the operation was appended to the report.

14. With respect to paragraph 3 of the ACABQ report (A/45/1011), he wished to know whether the recommendation contained in the Secretary-General's report to the Security Council relating to the approval of the MINURSO budget was a departure from previous practice. The Secretariat should explain why that recommendation had been included in the Secretary-General's report (A/45/241/Add.1), since the Advisory Committee's report was not clear on that point. Further, he wished to know the full implication of the Advisory Committee's recommendations that the proposed cost estimates should be approved in principle, while appropriations should be made only for the initial six-month period.

15. Under the Charter of the United Nations, the General Assembly, and not the Security Council, was vested with the authority for approving the budget. His delegation therefore strongly supported the views contained in the last sentence of paragraph 3 of the ACABQ report.

16. With respect to the recruitment of military and civilian personnel as well as the procurement of equipment and other supplies for MINURSO, his delegation hoped that the Secretariat would observe the principle of geographical distribution when it took decisions on those matters.

17. Mr. INOMATA (Japan) said that his delegation wished to emphasize that the General Assembly, and not the Security Council, was responsible for authorizing the mode of financing and cost estimates of the MINURSO operation. As the Advisory Committee had indicated in its report, confusion

(Mr. Inomata, Japan)

in the budgetary process should be avoided. To that end, the adjustments in the MINURSO budget should be made by the Assembly rather than by the Council.

18. The time allocated to the General Assembly for the detailed examination of the MINURSO cost estimates was inadequate. While his delegation was fully aware of the urgency involved, it was not convinced of the necessity of setting the arbitrary deadline of 15 May for the Committee's completion of its consideration of the item. In order to ensure that they fully performed their proper functions under the Charter, the Fifth Committee and the Advisory Committee should be given sufficient time to scrutinize the proposed cost estimates. In that regard, his delegation was disappointed that all the observations of the Advisory Committee identifying areas for considerable savings had not led to a reduction in the proposed estimates.

19. His delegation did not agree with those who believed that voluntary contributions would ensure a smooth and timely repatriation process, which was central to the MINURSO operation. Inherent in that approach was uncertainty about the ultimate means of funding a shortfall when sufficient contributions were not received from donors. It would be all too easy to charge the deficit either to future commitments from donors who would respond to further appeals by the Secretary-General, or to the alleged surplus in the General Account of UNHCR. His delegation supported the Secretary-General's view that MINURSO should not be deployed in the mission area on D-day unless it had been unequivocally established that the necessary voluntary contributions totalling $34.5 million would be available in full and in time to permit implementation of the repatriation programme. Further, Japan strongly supported the Advisory Committee's recommendations to the Secretary-General regarding the fund-raising process and the reporting procedure by which the Secretary-General was to inform the General Assembly of the status of commitments by donors.

20. While his delegation had no objection to the Advisory Committee's recommendation that the General Assembly should approve in principle the Secretary-General's proposed cost estimates for MINURSO and appropriate and assess a total of $140 million for the initial six months, the Committee should not lose sight of the entire mandate period of nine months for which it would be necessary to make financial provision. If the purpose of establishing the two assessment periods had been to achieve economy, that purpose could be better achieved if more precise cost estimates were adopted for the entire mandate period.

21. Mr. KOUZNETSOV (Union of Soviet Socialist Republics) said that the Advisory Committee's recommendations on ways of reducing the costs of the MINURSO operation were well founded, and the Secretariat should adhere strictly to the suggestions and recommendations contained in the ACABQ report (A/45/1011). Further, the Secretariat should explore ways of realizing additional savings.

(Mr. Kouznetsov, USSR)

22. Security Council resolution 690 (1991) on the establishment of MINURSO was based on the Secretary-General's proposal that the UNHCR repatriation programme should be financed from voluntary funds. His delegation fully supported the Council's approach.

23. His delegation supported the Advisory Committee's recommendation to allocate $143 million for the first six months of the operation on the understanding that the decision on the financing of the remaining three-month period would be taken by the General Assembly on the basis of a detailed performance report for the first six months of the operation, taking into account the observations and recommendations of ACABQ, as well as the views of Member States.

24. Mr. LADJOUZI (Algeria) said that peace-keeping operations were the collective responsibility of Member States under the United Nations Charter, and that primary responsibility for the adoption of the budget and of funding arrangements for such operations lay with the General Assembly. The information and assumptions used by the Secretary-General in preparing his reports formed the basis of the Advisory Committee's recommendations and of the Fifth Committee's deliberations, but, where there was scope for savings, the Secretary-General's estimates could be adjusted. The essential point was for the resolution on the United Nations Mission for the Referendum in Western Sahara to be adopted by the Assembly to be quite clear so that the Secretary-General could proceed with the operation.

25. Mr. BELHAJ (Tunisia) said that Advisory Committee reports should clarify issues and facilitate, not complicate, the work of the Fifth Committee. The questions raised with regard to paragraph 3 of the Advisory Committee's report on MINURSO (A/45/1011) required an answer. His delegation shared the concerns expressed in connection with paragraph 19 of that report, and would welcome explanation of the "delicate balance" achieved in the Advisory Committee. For MINURSO to be successful, the General Assembly must be able to adopt a clear decision, which would be diffficult on the basis of the Advisory Committee's report. Members of that Committee should function as experts and not simply as representatives of their Governments.

26. Mr. ETUKET (Uganda) said that his delegation shared the concerns expressed with regard to paragraph 3 of the Advisory Committee's report and the role of the General Assembly vis-à-vis the Security Council in connection with the budgetary process. It seemed that a somewhat unusual procedure was being followed in the case of MINURSO; in particular, the meaning of the Advisory Committee's recommendation, in paragraph 19 of its report, that the General Assembly should approve, in principle, the proposed cost estimates of the Secretary-General, was not clear.

27. His delegation had expressed its reservations, in connection with the United Nations Transition Assistance Group (UNTAG), regarding the overemphasis on voluntary contributions for the repatriation of refugees. Similar concerns

(Mr. Etuket, Uganda)

applied to MINURSO. It appeared from paragraph 19 of the Advisory Committee's report that approval of the proposed estimates was tied to the methodology for approval, those being two elements which should be kept separate.

28. Mr. SPAANS (Netherlands) said that it was obvious from the Advisory Committee's report that it had been of two minds with regard to MINURSO. It was not clear exactly what the Advisory Committee was recommending acceptance of, although it was amply clear that MINURSO had been over-budgeted. That was regrettable, given the experience with UNTAG, in connection with which 72 Member States had failed to pay their contributions in full and on time. Over-budgeting could only reinforce that trend. It would be unfortunate if the Fifth Committee was constrained to include a reference to proper budgetary procedures in its draft resolution on MINURSO given that the provisions of Article 17 of the Charter were quite unambiguous.

29. Mr. ANNAN (Controller) said that the Organization was at a crossroads in the domain of peace-keeping operations, which raised issues of concern to the Secretariat as well as to Member States. In view of the increasing demands of peace-keeping activities, Member States might soon be called upon to contribute as much to such operations as they did to the regular budget. The time had perhaps come for the funding of peace-keeping operations to be reviewed, an endeavour in which the Secretariat would cooperate closely with delegations in the quest for acceptable and viable solutions. For their part Member States should act with restraint in seeking information from the Secretariat which was not necessarily readily available, since that served to divert staff members from their work on behalf of the Organization.

30. Some delegations had suggested that the budget for UNTAG had been excessive because of incompetence on the part of the Secretariat. It should be noted that the operation had been a success both politically and financially, and that in preparing the budget the Secretariat had had to juggle widely varying figures which had been bandied about for almost a decade. The budget which had ultimately emerged had been based on the best information available and on rational judgements. The cooperation of the South African Government in making certain facilities available to UNTAG, which had led to savings, had not been anticipated by the Secretariat, while approximately 6 per cent of the costs had ultimately been met by voluntary contributions. Although delegations had been quick to comment on those points, few had been prepared to give credit where credit was due to the Secretariat for having run the operation as efficiently as possible. On a broader note, the financial base for the funding of peace-keeping operations was now miniscule in comparison with the scale of such activities. Perhaps the amount left over from UNTAG could be retained in the Organization pending a review of funding.

31. With regard to the repatriation of refugees in connection with MINURSO, the Secretary-General viewed their repatriation as an essential element in the settlement of the question of Western Sahara, since no referendum could be

(Mr. Annan)

held without voters, and had considered funding that element of the operation through assessed contributions. However, after consultations with some delegations, it had seemed expedient to rely on voluntary contributions. The Secretary-General had stated that MINURSO should not be deployed unless those voluntary contributions were forthcoming in order to emphasize the essential nature of the repatriation component.

32. With regard to paragraph 3 of the Advisory Committee's report, the matter was not entirely in the hands of the Secretariat, which could not refuse requests for information and which sought to serve all Member States on an equal basis in compliance with the relevant rules and practices.

33. The issue of high-level posts had been given careful consideration within the Secretariat and, indeed, the Under-Secretary-General for Administration and Management had come to speak to the Committee on the matter at the preceding meeting. ACABQ believed that the proposed MINURSO staffing was top-heavy, and it had, perhaps legitimately, recommended reducing the number of high-level appointments to one civilian Under-Secretary-General and one military Assistant Secretary-General (A/45/1011, para. 15). However, the civilian Under-Secretary-General would require a deputy, judging from the Namibian operation where a deputy had had to be added once it was under way; and that civilian deputy had to be at a high enough level - at least D-2 - to be able to give instructions to the General holding the military Assistant Secretary-General post.

34. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) assured the Committee that it was a basic goal of the Advisory Committee to facilitate the work of the Fifth Committee and not to sow confusion. Nothing in its report (A/45/1011) had been intended as intentional concealment. ACABQ operated on the basis of information given to it in writing, supplemented by oral information. When it received confusing information, it attempted to clarify it for the Fifth Committee.

35. Paragraph 19 of the ACABQ report had been deliberately structured so that the Committee could see the main elements in the report that ACABQ wished the Committee to address. If paragraph 3 of the report was confusing, that was not the Advisory Committee's fault. In his report to the Security Council (S/22464), the Secretary-General had indicated that the financial requirements for MINURSO, including the repatriation programme, would be approximately $200 million. In his statement to the informal consultation of the Council (S/22532), he had recommended that the budget should be adopted without change and that it should be reviewed after six months, a statement which he made again in his report to the General Assembly (A/45/241/Add.1, para. 5). However, the budget submitted was not for $200 million but for $215.1 million, including the cost of the repatriation of refugees. Thus, a change had already been introduced, and by the Secretariat itself.

(Mr. Mselle)

36. When ACABQ had taken up the estimates, there had been a full and detailed discussion of the recommendations to be proposed to the Committee. He took issue categorically with the contention that ACABQ should operate always and only as a technical body. The Advisory Committee could not work in an ivory tower, and it was one of its chief strengths that some of its members also sat in the Fifth Committee. ACABQ had to be aware of the political context in which United Nations budget estimates were proposed, although that political context was never the sole criterion for its recommendations.

37. Paragraph 19 had been drafted after detailed discussion. Some ACABQ members had felt that the MINURSO budget should be cut drastically, even down to $105 million for the full nine months; while others had seen no grounds for any reduction. The Secretary-General himself, in his report to the General Assembly, was the one proposing that the budget should be reviewed after six months. In paragraph 19 of its report, ACABQ had agreed with the Secretary-General. The Advisory Committee's agreement appeared to some delegations to have complicated the issue, but it was the Secretariat that should be asked to explain the genesis of the six-month period, which ACABQ had not invented.

38. The figures of $143 and $140 million given in the first recommendation in paragraph 19 were reasonable amounts for the first six months of MINURSO, when the bulk of the resources - 70 to 80 per cent, according to information from representatives of the Secretary-General - had to be used.

39. The only point not made explicit in paragraph 19 was the fact that the General Assembly must appropriate $150.6 million. As to the question of the impropriety of approving a budget in principle, he pointed out that the General Assembly had done so several times, although perhaps not in the context of a peace-keeping operation, and had later assessed amounts as the need arose.

40. He disagreed that ACABQ could be blamed for confusing the Committee with regard to the UNTAG operation. There had been problems in connection with UNTAG because some delegations in the Fifth Committee had chosen not to follow the ACABQ recommendations. The Advisory Committee had recommended that the unencumbered balance in that account should be credited to Member States in accordance with the Financial Regulations; although it had never recommended that those which had not paid should be reimbursed. Instead, some delegations had insisted on becoming involved in the detailed mechanics of the reimbursement process.

41. With regard to the General Assembly's exclusive authority for budgetary decisions and the related question put by the representative of the Netherlands, the Advisory Committee had not obtained a promise from the Secretariat that statements of the kind referred to in paragraph 3 of its report would be avoided in future. If such statements were again made, ACABQ would have to report accordingly to the Committee.

42. Mr. ETUKET (Uganda), referring to the Secretary-General's view that MINURSO should not be deployed in the mission area on the scheduled date unless it had been unequivocally established that the necessary voluntary contributions would be available (A/45/241/Add.1, para. 19), asked the Controller whether he knew what course of action the Secretary-General was contemplating if that did not happen. Did he, for instance, intend to call off the whole operation?

43. Mr. ANNAN (Controller), noting that a similar situation had arisen in the Namibian operation, recalled that in the latter case the Secretary-General had recommended that the Organization should cover a $3.3 million shortfall in the amount required for the repatriation of refugees from the surplus in the UNTAG account, while ACABQ had suggested that UNHCR might be able to absorb it against the surplus in its General Account, and the matter was still under negotiation. Having been unable in the case of UNTAG to secure agreement on applying the balance in that account to that shortfall, the Secretary-General was hesitant to put forward the same suggestion in the case of MINURSO. Should a shortfall indeed develop, the Secretariat would have to seek guidance from ACABQ and the General Assembly on how to proceed, and could not give an answer until it was faced with that hurdle.

The meeting rose at 12.45 p.m.